GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1752
ANSWERED ON:03.08.2000
ENRON PROJECT
RAGHUVANSH PRASAD SINGH

Will the Minister of POWER be pleased to state:

(a) whether the capital cost of Enron Project phase-II is unduly high even taking US $ at Rs.32 or so;

(b) if so, the ultimate cost/MW;

(c) the details of the ultimate tariff, total power supply and its effect on revenues of Maharashtra State Electricity Board;

(d) whether such burden be sustained by MSEB without Central subsidy or directly linking costly power to those who want reliable supply; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a): The Maharashtra State Electricity Board (MSEB) has informed that the capital cost of Dabhol Power Project (phase-II) promoted by Enron is US $ 1581 million including cost of regas terminal.

(b): As informed by MSEB, the cost per MW for the Phase-II project works out to Rs.3.39 crores considering 1 US $ = Rs.32.00.

(c): Commissioning of Phase-II is scheduled in January, 2002 with Liquified Natural Gas (LNG) and, therefore, it is not possible to indicate the ultimate tariff, which will eventually depend on a number of factors prevailing at that point of time. However, as informed by MSEB in 2002, the capacity charge of 2184 MW with regas charge works out to Rs. 1.71 per unit considering dollar rate at Rs.42, US inflation at 3.5% per annum and Indian inflation at 9% per annum with base year of 1999. Energy charge is to be worked out on the basis of the number of unit purchased, variable O&M and cost of LNG prevailing at that time. With LNG cost of year 2000, energy charge in the year 2002, is likely to be Rs.2.30 per unit. 17219 million units will be available for despatch by MSEB in a year on 90% PLF (Plant Load Factor) basis and therefore total tariff is likely to be Rs. 4.01 per unit. As regards to effect on revenues of MSEB, MSEB have informed that they will be able to collect sufficient revenues from the consumers and will pay the bills of Dabhol Power Company.

(d) & (e): MSEB have informed that they will sustain such burden without Government subsidy. It has further been informed that with the projected industrial growth in Maharashtra State, and the projected demand thereof, the entire power from Dabhol Power Project will be consumed.